GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

STARRED QUESTION NO:23
ANSWERED ON:26.07.2005
IMPACT OF PRODUCT PATENT ON SMALL SCALE INDUSTRIES
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Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether there has been adverse impact on the Small Scale Industries (SSI) by switching over to product patent from job patent laws;

(b) if so, whether the Government proposes to review the impact of ill-effects of product patent on SSI;

(c) the details pertaining to the assistance being provided/proposed to be provided by the Government to SSI for adopting new technology and carrying out product research in view of their financial constraints; and

(d) the details on the role of the Government with regard to product royalty prevailing inSSI?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES(SHRI MAHABIR PRASAD)

(a)to(d): A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (d) IN RESPECT OF THE LOK SABHA STARRED QUESTION NO. 23 FOR REPLY ON 26.07.2005.

(a)&(b): Product patent protection introduced under the Patent

(Amendment) Act, 2005 in all fields of technology (i.e. drugs, food, and chemicals, as product patent protection already exists for all other fields) has become effective from 1st January, 2005. Therefore, it will be premature to assess the impact of this on the small scale industries (SSI). However, the Government

(Ministry of SSI) is monitoring the situation through interactions with SSI associations and other stakeholders.

(c): The Government implements a number of schemes under which various incentives including financial assistance, are provided to small scale industries for upgradation of technology, acquisition of improved plant and machinery and improvement of quality of management and systems. Besides, there is a scheme of conferring annual national awards on SSI units for excellence in research and development. With a view to creating awareness among SSI units, SSI associations and other stakeholders of intellectual property rights and their implications for the sector, the Government (Ministry of SSI) has also been organising sensitization programmes all over the country.

(d): The amount of royalty for transfer of technology/know-how in any industrial sector, including small scale, is based on the market value of the technology/know-how. No legal norms have been fixed for this.